

Engagement of Employees in an Over-Supply Shopping Malls Market: Is Professional Training Part of the Solution? A Preliminary Study Among Retail Shops in the Klang Valley, Malaysia

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ABSTRACT

Retail industry main issue has always been the management of its employees, their motivation and their satisfaction. Lots of researches have proven that job dissatisfaction partly linked to an over-supply of Malls, is an endemic problem in this industry. The abundant literature tries to figure out ways to tackle this management issues, through various level of employee commitment and through management efforts with regular soft skills training and a focus on staff self-development. This paper emphasizes the specificities of the Malaysian market and try to find new ways that could improve employees' engagement.

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1. Introduction

This paper explores the human resources management issue in the retail Industry. This issue is a recurring problem which has brought lots of researchers to study the problem. The dissatisfaction among retail employees in this industry is so high that it impacts the turnover in shops, leading to a lack of qualified staff on the sales floor and plethora job offers in the industry that are seldom filled.

A preliminary survey on Malaysian retail in the Klang Valley finds that training could improve the issue, but is the management ready to take the risk to train non committed staff?

2. Malaysian Retail Industry

It is interesting to have a closer look at the retail industry in Malaysia.

We have here a country that prides itself to have among the biggest malls in the world, the most luxurious malls in Asia, and still, they are struggling to attract and to retain employees, with a high employee turnover.

“Employee engagement is the emotional commitment the employee has to the organization and its goals. This emotional commitment means engaged employees actually care about their work and their company. They don’t work just for a pay-check, or just for the next promotion, but work on behalf of the organization’s goals. When employees care—when they are engaged—they use discretionary effort.” (Forbes Magazine, June 2012). Engagement has declined steadily in the past decade, with the arrival on the market of the millennium generation, which is less involved in their daily job, and less concerned with organization goals and objectives. According to Gallup’s report (2016) a worrying 11% of employees in Malaysia are engaged. That represent 89% of Malaysian employees that are not committed to their job.

Still, Boichuk & Menduk (2012) findings state that retail employees who are dissatisfied with their work still remain committed to their organization out of necessity, and that supervisors who are helpful and willing to listen to their staff improves the links between the team and therefore ameliorates commitment. But is that enough to keep the employees in their company?

High turnover in the industry has become a major issue (Rohani Salleh, Mishaliny Sivadasan Nair, & Haryanni Harun, 2012) and lack of staff is in some places critical.

An example on the second week of March 2016, on Jobstreet.com, more than 2490 positions were offered in this industry –to compare with the 1200 positions offered in Logistics, a trendy industry among Malaysian students at the moment-

Try to walk in any shopping mall, you will see at most entrance of stores a recruitment notice. As a consequence, the management accepts and tolerates low level workers, often foreigners, but subsequently, the competencies level of the average sales clerk in a store are a disaster. Sometimes, they do not even smile or take care of the customer, as they prefer to hide behind the counter to play with their smartphone!

So why do we have this problem in Malaysia?

3. Workforce in the Industry

The retail industry in Malaysia not only represents 20% of the working force employed in this sector but is also the second contributor to the GDP of the country (Teck Hong & Waheed, 2011). Therefore, the retail sector is considered as a major element of economic growth and stability in the country.

Most of the big world retailers are in Malaysia, from Tesco, Giant, Aeon (Hypermarkets). Major global retail players from discounters to luxury brands (Ikea, Gap, H&M, Louis Vuitton, etc.) in all categories of products are present in Malaysia. Regional distributors of international brands such as Valiram or Bonia are also well implanted with lots of branches, in shopping malls, commercial zones and Airports' duty free zones.

Job satisfaction is an emotional state in which an employee perceives and react to its work environment (Dunnette, Campbell & Hakel 1967). Some managers think that a key variable to satisfaction is the love of money (Tang, Luna-Arocas, Sutarso, & Tang, 2004), as a high salary will attract, retain and motivates workers (Robbins, 2001). But this is not enough, as other elements are to be taken in account.

Job security, interesting work and recognition motivates employees at different levels of experience and age, according to the Maslow pyramid (Maslow 1954)

Another fact to take in consideration is the evolution of the market in Malaysia, on par with Singapore: the over-supply of Malls with the consequences that more and more Malls are empty (Shazni, 2016) and therefore the employees in these places face boredom as they seldom see customers in their shop. The findings of Teck Hong and Waheed, (2011) on the retail personnel of Bandar Sunway, Selangor, Malaysia suggest that “any retail organizations

in Malaysia plan to prepare for a reward scheme may need to ensure that they take four significant motivational factors into consideration (working conditions, recognition, company policy and money factor)”

The company policy factor can be translated in the management culture of the company. A weak engagement and motivation comes from a gap between management way of thinking and employees’ expectations. According to Mansor (Abu Mansor & al, 2012) the type of management style (autocratic, democratic, paternalistic and laissez faire) as measured in the study influences the physical, psychological and social health of these employees.

Raveesh et al (2010) noted that employee engagement has become a critical organizational business issue as the world recovers from (HR) the menace of the recent economic recession.

The professional training is a regular training provided by the company, for a duration of 2 to 4 days, usually on the worksite, and that can be subsidized or taken in charge by government funds such as HRDF in Malaysia. It is therefore a cost free operation at the hands of the management.

This professional training falls in the recognition field and the top two needs of the Maslow pyramid, which are Self-esteem and Self-Actualization.

4. Research Methodology

Our hypothesis is that regular training of employees, thus increasing their skills and knowledge, might help improve their motivation and level of engagement. (Abdul Hakim Ahmad Dadar & Al., 2012)

Social interaction between management and employee is a continual process asserted by the subjectivist aspect of ontology.

We adopted a deductive approach, with the hypothesis that the industry of retail lacks of dedicated training for its workforce. We decided to go for a quantitative method, on a convenience sample.

We conducted a preliminary survey among (convenience sample) of 52 different shops over a 3 days’ period.

We considered that one shop by brand was sufficient as the policy of luxury brands are the same towards all their stores. Our sampling was made among from 15 different categories of shops in the luxury industry (12 shops in Fashion, 10 in Jewels and Watches, 15 in Leather accessories, 6 in decoration and art, 9 in miscellaneous high end products), in 5 major

shopping malls in the Klang Valley, which were Garden Mall, Mid-Valley, Pavilion, Suria KLCC and Sunway. All questionnaires have been submitted directly to the store manager or the second most senior person after the store manager.

Questionnaire

The questionnaire consists of 9 questions, 3 open questions, 6 multiple choices questions. Only 2 questions are numerical questions.

The 1st, 4th and 7th questions are multiple choices with multiple answers possible, which induce 15 different options for the question 1, seven different options for question 4 and question 7.

The question number 2 (how often do you attend training, 1 time; 2 times or more) objective is to validate the number of shop getting at least 1 or 2 training per year.

The question number 3 (how long does a training usually take, 1 day, 2 days, X days to be keyed in) is also taken as an average, here we supposedly assume that the number of days of training seldom exceeds 2 days. Our hypothesis is verified by the answers given

Question 6 is a validation of question number 5 regarding onsite training

Question 8 (Average price for training per day per person) has been replied only by 6 out of 52 persons, it can therefore be considered not relevant, either as people do not know the information or do not want to display it.

Question 9 (What do you expect if we tell you “We train you to sell luxury products”?) aims to capture the understanding of the respondents on the “luxury training” concept.

The questionnaire is found in Appendix A

5. Analysis

We analyzed the 52 questionnaires using simple data sorting and cross-table comparison.

We found out that at least 88% of the employees are only trained to product knowledge linked with a light sales training (question 1) with trainings between 2 to 3 times a year (answers to question 2). Product knowledge is the essence of the training to get the staff efficient and skilled on the sales floor. A further research might be needed to understand whether the employees feels this training sufficient and whether they are happy with it.

Interestingly, the store manager which is the direct supervisor of the trained employee is the decision maker in terms of training in 38.4% of the cases and has an influence in the decision

in 50% of cases (question 4). As emphasized by Abu Mansor et al. (2012) it all comes back to the management style of the supervisor and their will to improve the competencies of their staff.

Only in 15.7% of the cases are the training sessions organized only for the management, which means that the retail stores want their employees to be regularly trained, with nobody left behind.

Looking into other industries such as IT, “training is also regarded as an important tool for a firm. It helps develop organizational knowledge and skills in order to maintain and enhance a firm’s core competence in the market” (Umar Haiyat Abdul Kohar & Al. 2012)

6. Findings

It seems that the demand among employees for proper sales and customer behavior training is very high as well as for a deeper training in industry knowledge. A paradox in this industry is that when you talk to most top executives and managers, they refuse to give too much training to their employees, believing that this is a waste of time and money to train people who are used to job hopping. Isn’t it a mistake of management? Indeed, assuming that employees tend to stay in their industry when looking for another job, trained employees from one company will bring their newly acquired knowledge and skills to their new employer, and vice versa. If all retail companies train their employees, then the entire retail industry will benefit from an up-to-date workforce.

It can also help keep motivated employees that are bored and have nothing to do in dying Malls and empty shopping complexes. Indeed, oversupply is reached when you have 5 sq feet per capita, and for instance in Penang we will reach 9.58 sq feet per capita before 2020 (Tan, 2016), and already 7.5 sq feet per capita in the Klang valley today (The Star, February 2016)

These findings still need some further research, as on the contrary, in some countries and industries, it has been found that the relationship between job training and turnover is insignificant, whatever the length or intensity of the training (Abdul Hakim Ahmad Dadar & al, 2012).

It would be interesting also to search whether innovation in the retail industry, which is a driver of sustainable business and customer loyalty, could also be one key element of motivation of the department stores staff (Yu-Shan Liua, 2012)

The retail industry carries today a bad image that can be improved if the industry top executives face their responsibilities. Management style and approach is here a key factor of employee satisfaction, with the Paternalistic management style being recognized as the most suitable for the well-being of the staff, which improves their happiness at work (Mansor & Al, 2012).

To make this industry attractive again, you need to have an image of dynamism, of care for the employees and link it to a dynamic academic training, as universities cannot draw students to retail programs and degrees if they do not have the support of the local leaders of this industry.

7. Conclusion

We have seen that we get a lot of literature on high turnover of non-motivated staff in the retail industry in Malaysia, specifically in the Klang Valley.

It seems that the demand for more care and concern from the Management would be an important element in the job loyalty and motivation of the staff, training being one of these elements to take in account to improve employees' engagement.

It is interesting to go further and interview key managers on their opinion and whether they would take risk to train their employees, as if they don't train them, they are losing an employee that might switch job out of frustration or non-engagement to his/her current position, but if they train them and they go, they are losing a skilled employee and they have wasted money on training.

An interesting research would be to understand how the management can keep their pool of employees motivated in slow moving and empty Malls. More research need to be done on how to get the employees in the retail sector in Malaysia more committed and engaged, be it with training, higher salary, different management style, more responsibilities in their job or any other element that have not been studied at this time.

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Appendix A

Detail of the Questionnaire

1. *What type of training do you usually have?*

Product; Management Sales; Language

2. *How often do you attend training in a year?*

1 time; 2 times; more than 2 times

3. *How long does a training usually takes?*

1 day; 2 days; Other: number of days:

4. *In your company, who decides to send you for training?*

Malaysian headquarters; Store Manager; Regional headquarters

5. *Do you have onsite training?*

Yes; No

6. *If no, where do you usually train?*

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7. *What are the persons who attend the training?*

Management; Salespersons; New staff; Others

8. *What is the average price you pay for training, by day and by person?*

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9. *What do you expect if we tell you “We train you to sell luxury products”?*

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